

BYLAWS FOR _____ CREDIT UNION

Approved by the Commissioner of Financial Institutions, in conformity with R.S. 6:641 et seq. of the Louisiana Revised Statutes of 1950, as amended through Act 887 of the 2001 Regular Session of the Louisiana Legislature.

ARTICLE I

NAME – PURPOSE

SECTION 1. The name of this credit union shall be as follows:

SECTION 2. The primary objectives of this credit union shall be to encourage thrift among its members, creating a source of credit at fair and reasonable rates of interest, providing other financial services, providing an opportunity for its members to use and control their own money on a democratic basis, and to engage in any lawful activity.

ARTICLE II

MEMBERSHIP LIMITATIONS

SECTION 1. The field of membership shall be limited to those having the following common bond:

SECTION 1.1 Members of their immediate families include any relative by blood or marriage, or foster and adopted children, grandchildren, sons-in-law, and daughters-in-law of a member.

SECTION 2. Applications for membership must be made in writing and presented to the Board of Directors or the Membership Officer for approval.

SECTION 3. An applicant shall be admitted to membership by the affirmative vote of a majority of the directors present at the meeting at which the application is acted upon; an applicant shall become a member and entitled to the rights and privileges of a member when he/she shall have qualified by paying an entrance fee in an amount set by resolution of the Board of Directors, a copy of which resolution is to be attached to the bylaws, and completing payment of one share of this credit union.

SECTION 4. A member may be expelled in the manner provided by law.

SECTION 5. A member and members of his/her immediate family who leave the field of membership may retain membership in the credit union; provided, however, that the Board of Directors may resolve that such members meet certain minimum standards established by the Board.

SECTION 6. Students who qualify for a loan under the Guaranteed Student Loan Program and PLUS Program, administered by the State of Louisiana and by private, non-profit guarantee agencies, and seek membership solely for the purpose of obtaining a guaranteed student loan, are exempt from the requirements of Section 1 of this Article. Students, as used in this Section, include students and parents who qualify for loans under the PLUS Program.

ARTICLE III

CAPITAL AND LIABILITY

SECTION 1(a) The capital shall consist of shares and share certificates. The par value of each shall be _____ dollars. Subscriptions to shares are payable at the time of subscription.

Additional payments may be made on shares on any day this credit union is open for business.

(b) A member who fails to complete payment of one share within six months of his/her admission to membership, or within six months from the increase in the par value of shares, or a member who reduces his/her share balance below the par value of one share and does not increase the balance to at least the par value of one share within six months of the reduction, may be terminated from membership.

SECTION 2. (a) Shares and share certificates may be issued in the following manners:

- (1) in an account in the name of a minor, subject to the limitations and procedures provided for herein in subsection §2.4 of Article III;
- (2) in a trust account, as provided for by law;
- (3) in multiple party accounts by multiple party account agreement, but no multiple party owner, unless a member in his/her own right shall be permitted to vote, obtain a loan or hold office, or be required to pay an entrance fee; and
- (4) in a payable upon death account, as permitted by applicable law

(b) When shares and share certificates are issued in a revocable trust, the settlor must be a member of this credit union in his/her own right, and the name of the beneficiary must be stated.

(c) When shares and share certificates are issued in an irrevocable trust, the settlor or beneficiary must be a member of this credit union in his/her own right, and the name of the beneficiary must be stated. For purposes of this section, shares and share certificates issued pursuant to a pension plan authorized under the applicable law and regulation shall be treated as an irrevocable trust unless otherwise indicated under the applicable law and regulation.

(d) Trust accounts established prior to the effective date of this section shall not be affected. Trusts may be established pursuant to this section, provided such trusts, their terms, and conditions are in accordance with the laws of this jurisdiction.

(e) When shares and share certificates are issued in a multiple party account under the names of two or more persons, the credit union may pay the shares and share certificate and any dividend thereon to any of the owners whether living or not and receipt of the owner so paid shall be valid, sufficient, and complete release of the credit union.

(f) The credit union may conduct business in accordance with its bylaws, membership agreements, and other relevant contract terms concerning a deceased person until it receives written notice of the person's death at which time the credit union must comply with the requirements of LSA-R.S. 6:653.4.

(g) Where the credit union has received written notice of the death of any multiple party account owner, it shall report within 15 days to the Louisiana Department of Revenue and Taxation on the money withdrawn from the multiple party account, the date of the withdrawal and the names of the individuals withdrawing the funds from the account.

(h) The credit union has, as provided by the Louisiana Credit Union Law (LCUL), a lien and privilege on the shares of any member and on the dividends payable thereon to the extent of any loan made by him/her, and on any dues and fines payable by him/her. The credit union may, upon default of any loan, cancel his/her shares and apply the shares toward the liquidation of his/her loan.

However, this lien and privilege does not include amounts held under an “Individual Retirement Account,” “Keogh Plan,” and similar accounts as provided for in the Internal Revenue Code.

(i) The Board shall have the right, at any time, to impose a fee for excessive share withdrawals from regular share accounts. The number of withdrawals not subject to a fee and the amount of the fee shall be established by Board resolution and shall be subject to regulations applicable to the advertising and disclosure of terms and conditions on member accounts.

SECTION 2.1 Share drafts

(a) The Board of Directors may authorize share draft services upon determination that it is economically and operationally feasible.

(b) The Board of Directors’ approval of a share draft program must be conditioned upon the following:

- (1) An opinion of legal counsel that forms and procedures comply with applicable laws
- (2) Appropriate bond coverage
- (3) Adoption of any operational specifications required by the Commissioner

SECTION 2.2 Treasury Tax and Loan Accounts

(a) The Board of Directors may provide tax collection services to the members in accordance with the United States Treasury Tax and Loan (TT&L) Account regulations.

(b) Upon designation as a TT&L depository, the credit union may establish a TT&L Remittance Account for the receipt of payments of federal taxes and certain U. S. obligations. Funds in the TT&L Remittance Account are not eligible to receive dividends and are not subject to the 60-day notice requirement of Article III, Section 4 of the credit union bylaws.

(c) Credit unions selecting the Note Option under 31 CFR Part 203.9 may hold funds in a TT&L Note Account in accordance with Department of Treasury regulations. Funds held in the credit union’s TT&L Note Account shall bear interest at the rate specified in the Department of Treasury regulations. Funds held in TT&L Note Accounts are not considered borrowings for purposes of R.S. 6:655, and are not subject to the 60 day notice requirement of Article III, Section 4 of the credit union bylaws.

(d) The sum of the amounts held in the TT&L Remittance Account and the TT&L Note Account shall not exceed 10 per centum of the total assets of the credit union.

(e) For share insurance purposes, funds in the TT&L Remittance Account and the TT&L Note Account shall be considered public unit funds and as such are insured up to a maximum of \$100,000.00 in the aggregate. The share insurance premium paid shall include a premium equal to one-twelfth of 1 per centum of the total amount of funds in the TT&L Remittance Account and the TT&L Note Account at the close of the preceding insurance year.

(f) The credit union may pledge specifically identified assets as collateral for TT&L Remittance and Note accounts and may enter into such custodial arrangements as may be necessary to meet Department of Treasury requirements for collateral on TT&L accounts.

SECTION 2.3 Automated Teller Machines (ATMs)

(a) The Board of Directors may provide automated teller machine services to the members upon a determination that it is economically and operationally feasible to implement an automated teller machine program in conformity with any requirements of the Commissioner.

(b) Transactions made under this Section are subject to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.) and Regulation E of the Federal Reserve Board (12 CFR 205.2) unless exempted by law.

(c) The credit union may establish or use ATMs and participate with others in ATM operations on an unrestricted geographic basis.

(d) The credit union shall provide a PIN to each member and require its use when accessing an ATM. It may not employ PIN access techniques that require the member to disclose a PIN to another person. The credit union must inform each member that the PIN is for security purposes and shall not be disclosed to third parties. Any device used to activate an ATM shall bear the words "Not Transferable" or their equivalent. A passbook may not be such a device.

(e) The credit union may impose service charges for ATM financial services.

(f) The credit union shall allow members to obtain any information concerning their ATM accounts. Except for generic data or data necessary to identify a transaction, the credit union may not disclose account data to third parties, other than the Commissioner or his/her representatives, unless express written consent of the member is given, or applicable law requires. Information disclosed to the Commissioner will be kept in a manner to ensure compliance with the Privacy Act, 5 V.C. 522 (a). The credit union may operate an ATM according to an agreement with a third party or share computer systems, communications facilities, or services of another financial institution only if such third party or institution agrees to abide by this section as to information concerning ATM accounts in the credit union.

(g) The credit union shall take all steps necessary to protect its interest in financial services processed at each ATM, including obtaining available fidelity, forgery, and other appropriate insurance.

(h) The credit union shall protect electronic data against fraudulent alterations or disclosure. All ATMs shall meet the minimum-security devices requirements of law.

(i) The credit union may share an ATM controlled by an institution not subject to examination by a regulatory agency, only if such institution has agreed, in writing, that the ATM is subject to such examination by the Commissioner, as he/she deems necessary.

SECTION 2.4 Minors over the age of _____ may withdraw shares in their name in the credit union in the same manner as other members using the various share accounts offered by the credit union. In the case of minors less than _____ years of age, either parent, if alive, or else the surviving parent, may transfer, withdraw and surrender such shares for the minor or otherwise represent the minor in respect to his/her shares without the necessity of tutorship proceedings. Minors, as members, shall have all the rights of membership.

SECTION 3. Fully paid up shares may be transferred only from one member to another by written instrument in such form as the Board of Directors may prescribe and upon the payment of a fee set by resolution of the Board of Directors.

SECTION 4. Money paid in on shares, or installments of shares, may be withdrawn as provided in these bylaws on any day when payment of shares may be made, subject to the minimum balance requirements established by the Board. The Board shall have the right, at any time, to require members to give, in writing, not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them, except for those amounts paid into share draft accounts. However, no member may withdraw any shares designated as security below the amount of his/her total liability to the credit union as borrower, endorser, co-maker, or guarantor without the written approval of the Credit Committee.

SECTION 5. Money paid in on account of shares, installments of shares, repayment of loans, interest, fees or fines, and money paid out on account of loans made or shares withdrawn, in whole or in part, shall be evidenced by entries in the credit union's records, and in a passbook, or by receipt, or by a computer printout statement. Every entry in the passbook or on the receipt shall be initialed by

the Treasurer or other authorized person on behalf of this credit union. However, this shall not apply when payroll deduction is in effect or where the credit union is on an electronic data processing accounting system.

SECTION 6. If a passbook is lost or stolen, immediate notice of such fact must be given to the Treasurer, and written application must be made for the payment of the amount due the member as represented by said passbook or for the issuance of a duplicate passbook. The Board of Directors may require the filing of an adequate bond to indemnify this credit union against any loss or losses resulting from the issuance of such duplicate passbook and may require the payment of a nominal fee for the issuance of a duplicate passbook.

SECTION 7. In all cases, a payment upon presentation of a passbook, and entered therein, shall be a complete discharge of this credit union for the amount so paid.

SECTION 8. Payments on shares, share certificates, or share deposits may be received from an officer, employee, or agent of those non-member units of federal, state, or local governments, or political subdivisions thereof.

SECTION 9. Payment on shares, share certificates, or share deposits may be received from administrators, executors, custodians, conservators, tutors, curators, trustees, and other fiduciaries of every kind and nature, insurance companies, business and manufacturing companies, banks, trust companies, credit unions, and other types of financial organizations, charitable, educational, and eleemosynary and public corporations and bodies.

ARTICLE IV

MEETING OF MEMBERS

SECTION 1. The Annual Meeting of the members shall be held at such time and place as the Board of Directors may determine.

SECTION 2. At least thirty (30) days before the date of any Annual Meeting or seven (7) days before the date of any special meeting of the members, the recording officer shall cause written notice thereof to be sent to the last known address of each member, and shall post such notice in a conspicuous place in the office of the credit union. If the Annual Meeting is to be held during the same month as that of the previous Annual Meeting and this credit union maintains an office that is readily accessible to members, wherein regular business hours are maintained, and the Board so determines, notice of the Annual Meeting may be given by posting the notice thereof in a conspicuous place in the office of the credit union where it may be read by the members at least 30 days prior to such meeting. The Board of Directors may require such additional notices as they may deem proper.

SECTION 3. Special meetings of the members may be called by the executive officer, on request of three members of the Board of Directors, or on request of the Commissioner of Financial Institutions (or by the Supervisory Committee as in these bylaws provided), and shall be called by the executive officer on the request of ten percent (10%) of the members, as provided by law (R.S. 6:647).

SECTION 4. The order of business at Annual Meetings of members shall be as follows:

- (a) Determination of a quorum
- (b) Reading and approval (or correction) of the Minutes of the last Annual Meeting
- (c) Report of the executive officer on behalf of the Board of Directors

- (d) Report of the Financial Officer
- (e) Report of the Credit Committee
- (f) Report of the Supervisory Committee
- (g) Unfinished Business
- (h) New Business, other than Elections
- (i) Elections
- (j) Open Discussion
- (k) Adjournment

SECTION 5. At Annual or Special Meetings, except for voluntary liquidation, fifteen (15) members shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not less than five or more than forty-five days thereafter; and the members present at such adjourned meeting shall constitute a quorum, regardless of the number of members present.

ARTICLE V

ELECTIONS¹

SECTION 1. At least 120 days prior to each Annual Meeting, the executive officer shall appoint a Nominating Committee of not fewer than three members. It shall be the duty of the Nominating Committee to nominate at least one member for each vacancy, including any unexpired term vacancy for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The Nominating Committee shall file its nominations with the secretary of the credit union at least 90 days prior to the Annual Meeting, and the secretary shall notify in writing all members eligible to vote at least 75 days prior to the Annual Meeting that nominations for vacancies may also be made by petition signed by one percent of the members with a minimum of 20 and a maximum of 500.

The written notice shall indicate that the election will not be conducted by ballot, and there will be no nominations from the floor when there is only one nominee for each position to be filled. A brief statement of qualifications and biographical data in such form as shall be approved by the Board of Directors will be included for each nominee submitted by the Nominating Committee with the written notice to all eligible members. Each nominee by petition shall submit a similar statement of qualifications and biographical data with the petition. The written notice shall state the closing date for receiving nominations by petition. The period for receiving nominations by petition shall in all cases extend at least 30 days from the date the petition requirement and the list of the Nominating Committee's nominees are mailed to all members. To be effective, such nominations shall be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Such nominations shall be filed with the secretary of the credit union at least 40 days prior to the Annual Meeting, and the secretary shall cause such nominations along with those of the Nominating Committee to be posted in a conspicuous place in each credit union office at least 35 days prior to the Annual Meeting.

SECTION 2. All elections shall be determined by plurality vote and shall be by ballot except where there is only one nominee for each position to be filled. Nominations shall not be made from the floor unless sufficient nominations have not been made by the Nominating Committee or by petition to provide for one nominee for each position to be filled, or circumstances prevent the

¹ The bylaws may provide for an election procedure utilizing a Nominating Committee and also for nominations from the floor at the annual membership meeting. The Commissioner has approved both procedures.

candidacy of the one nominee for a position to be filled. Only those positions without a nominee shall be subject to nominations from the floor. In the event nominations from the floor, when permitted herein, result in more than one nominee for a position to be filled, and when nominations have been closed, tellers shall be appointed by the executive officer, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. When only one member is nominated for each position to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the Annual Meeting.

SECTION 3. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated in writing for the purpose. Irrespective of the number of shares held by him, no member shall have more than one vote.

SECTION 4. The Board of Directors may establish by resolution a minimum age, not greater than 16 years of age, as a qualification for eligibility to vote at meetings of the members, or not greater than _____ years of age to hold elective or appointive office, or both.

ARTICLE VI

BOARD OF DIRECTORS

SECTION 1. The Board of Directors shall consist of five members. At the first Annual Meeting, or thereafter upon any increase or decrease in the number of directors, regular terms shall be fixed so that approximately an equal number of regular terms shall expire each year. Regular terms of office for all directors shall be for periods of two or three years, as the Board shall determine, and until the election of their respective successors. Immediately following the election of any member to the Board of Directors and before assuming the duties of his/her office, each director shall take an oath of office to discharge his/her duties as director properly and conscientiously. This oath shall be entered into the minutes of the next regular or special meeting of the Board of Directors and shall be retained in the records of the credit union for examination by the Commissioner.

SECTION 2. Any vacancy on the Board of Directors shall be filled by vote of a majority of the remaining directors, but the director or committee member so elected shall hold office only until the next Annual Meeting of the members, at which meeting a director or committee member shall be elected to complete the unexpired term (unless the term expires at the time of such meeting).

SECTION 3 (a) Regular meetings of the Board of Directors shall be held each month. The executive officer, or in his/her absence, the assistant executive officer, may call a special meeting of the Board of Directors at any time, and shall do so upon the written request of any three directors. Meetings of the Board of Directors may be conducted by means of teleconference or other similar means of communication. Notice of meetings of the Board of Directors shall be given in such manner as the Board may from time to time prescribe.

(b) A majority of the number of directors specified in these bylaws shall constitute a quorum for the transaction of business at any meeting thereof.

SECTION 4. The Board of Directors shall have the general management of the affairs, funds, and records of this credit union. In addition to the duties and responsibilities customarily assigned to and performed by Boards of Directors, they shall also be responsible for the following:

(a) Act on all applications for membership, except to the extent that it may have authorized the approval of the membership applications by a Membership Officer. Directors may, by resolution, appoint a member as a Membership Officer, who may approve the applications for membership. Such Membership Officer shall submit at each monthly meeting of the directors a list of

approved or pending applications received since the previous monthly meeting, together with such other related information as the directors may require.

(b) Purchase a blanket fidelity bond coverage within the maximum requirements fixed in the bylaws, covering the directors, officers, employees, members of official committees, and other agents, with protection against loss caused by fraud and dishonesty. The Board of Directors has the option of purchasing faithful performance of trust coverage for the financial officers or for any director, officer or employee while performing any duties of the financial officer prescribed in the LCUL or the Bylaws. The minimum amount of bond coverage required will be computed based on the credit union's total assets. The following table lists the minimum requirements:

ASSETS	MINIMUM BOND
\$0 to \$10,000	Coverage equal to the credit union's assets
\$10,001 to \$1,000,000	\$10,000 for each \$100,000 or fraction thereof
\$1,000,001 to \$50,000,000	\$100,000 plus \$50,000 for each million or fraction over \$1,000,000
\$50,000,001 to \$295,000,000	\$2,550,000 plus \$10,000 for each million or fraction thereof over \$50,000,000
Over \$295,000,000	\$5,000,000

(c) Have authority to declare and authorize the payment of dividends on shares, share certificates, including patronage dividends. Determine the rate of dividend which will be paid on various share accounts and share certificate accounts and other thrift accounts. Determine the rate of patronage dividends which will be paid on various types of loan accounts.

(d) Fill vacancies on the Board of Directors until the election and qualification of successors and, if these bylaws provide for an elected Credit Committee, fill vacancies on the Credit Committee until the election and qualification of successors. Designate another member of this credit union to act temporarily in the place and stead of any officer or director who is absent, disqualified, or otherwise unable to perform the duties of his/her office.

(e) Employ, fix the compensation, and prescribe the duties of such employees as are necessary, unless it has delegated this power to the financial officer or management officer. Under no condition shall compensation be fixed on a percentage basis.

(f) Establish par value of shares and fix the maximum number of shares, which may be held by any one member. Determine the type and classification of shares and share certificate accounts.

(g) Establish lending policies, and determine from time to time the interest rates, fixed or variable, on loans, and the maximum amount that may be loaned, with or without security, to any member within the limits prescribed by these bylaws.

(h) Establish policies for record keeping and segregation of assets and for credit union operation for a self-directed IRA program and Keogh program consistent with the principles of sound custodial administration, prior to implementing a self-directed IRA or Keogh program for members.

(i) Authorize and supervise investments other than loans to members, except that the Board may designate a committee of not less than two to act as an Investment Committee. Such Investment Committee must have charge of making investments under the rules and procedures established by the Board of Directors.

(j) Designate the depository or depositories for the funds of this credit union.

(k) Designate the manner in which checks shall be signed.

(l) Take such action towards the collection of delinquent loans as may be deemed advisable, and when necessary, authorize the charge-off of uncollectible loans. Authorize participation in a credit reporting agency if it has determined that use of such an agency is essential in making loans and extending lines-of-credit, and that information supplied by the credit union concerning its members will be made available only to legitimate lenders belonging to that agency.

(m) Authorize borrowing and discounting operations, have authority to enter into participation loans, and have authority to sell the entire interest of an eligible obligation to any of the following: CUNA Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, federal, state, and local housing authorities, Student Loan Marketing Association, other credit unions, banks and savings and loan associations, private investors approved by the Commissioner.

(n) Recommend amendments to the Charter.

(o) Prescribe fines, if desired, which shall be paid by a member failing to pay an installment on a loan or share when due.

(p) Approve affiliation of this credit union with local, state, and national organizations of credit unions.

(q) Approve all operating expenses or operating expense budget and, in general, to serve to promote the development and services of the credit union for the benefit of the membership.

(r) Perform such other duties as the members may from time to time authorize.

(s) Provide a copy of the Report of Examination of the Office of Financial Institutions to government agencies, when deemed advisable and necessary by the Board to conduct the affairs of the credit union.

(t) Appoint, when deemed advisable, an Executive Committee of not less than three directors to exercise such authority as may be delegated to it, subject to such conditions and limitations as may be prescribed by the Board.

(u) Have authority to provide to the members, all programs that are available, now or in the future, to members of federal credit unions, including, such programs as share drafts, credit cards, automatic teller machines, etc., when approved by the Commissioner.

(v) Shall establish an Allowance for Loan Loss Account in accordance with Office of Financial Institutions Policy #CU-02-90, dated April 12, 1990, or any later updates.

(w) Appoint one or more loan officers and delegate to these officers the power to approve or disapprove loans, lines-of-credit, or advances from lines-of-credit.

SECTION 5. The Board of Directors is authorized to exercise the powers granted the credit union under the law, and particularly Louisiana Revised Statutes, Title 6, Section 644, as amended. The Board of Directors may establish policies and/or procedures in the exercise of and in conformity with the powers granted the credit union under the law.

SECTION 6. If a director fails to attend regular meetings for three consecutive months, or otherwise fails to perform any of the duties for which the director member is responsible, or ceases to be a member in good standing, or has been suspended by the Commissioner of Financial Institutions, his/her office may be declared vacant by the Board of Directors and the vacancy filled as herein provided.

SECTION 7. No member of the Board or Supervisory Committee shall receive any compensation for his/her services as a member of the Board of Directors or as a member of a committee.

ARTICLE VII

BOARD OFFICERS, MANAGEMENT OFFICIALS AND EXECUTIVE COMMITTEE

SECTION 1. The Board officers of this credit union shall be comprised of an executive officer, one or more assistant executive officers, a financial officer, and a recording officer, all of whom shall be elected by the Board and from their number. The Board shall determine the title and rank of each Board officer and shall record them in the addendum to this article. One Board officer, as designated in the addendum to this article, may be compensated for his/her services to such extent as may be determined by the Board. If more than one assistant executive officer is elected, the Board shall determine their rank as first assistant executive officer, second assistant executive officer, etc. The offices of the financial officer and recording officer may be held by the same person. Unless otherwise removed as herein provided, the Board officers elected at the first meeting of the Board shall hold office until the first meeting of the Board following the first Annual Meeting of the members and until the election and qualification of their respective successors.

SECTION 2. Board officers elected at the meeting of the Board next following the Annual Meeting of the members, which shall be held not later than 7 days after the Annual Meeting, shall hold office for a term of 1 year and until the election and qualification of their respective successors. However, any person elected to fill a vacancy caused by the death, resignation, or removal of an officer shall be elected by the Board to serve for the unexpired term of such officer and until his/her successor is duly elected and qualified.

SECTION 3. The executive officer shall preside at all meetings of the members and at all meetings of the Board, unless disqualified through suspension by the Supervisory Committee. He/she shall countersign all notes of this credit union and all checks, drafts, and other orders for disbursement of its funds as prescribed in Article XV, Section 2 of these bylaws. The executive officer shall also perform such other duties as customarily appertain to the office of the executive officer or as he/she may be directed to perform by resolution of the Board not inconsistent with the LCUL and regulation and these bylaws.

SECTION 4. The ranking assistant executive officer available shall have and exercise all the powers, authority, and duties of the executive officer during the absence of the latter or his/her inability to act.

SECTION 5. The financial officer shall manage this credit union under the control and direction of the Board, unless the Board has appointed a management official in the addendum to this article who shall act as general manager. Subject to such limitations, controls, and delegations as may be imposed by the Board, the financial officer shall have the following responsibilities:

- (a) Have custody of all funds, securities, valuable papers, and other assets of this credit union
- (b) Sign all notes of this credit union, and all checks, drafts, and other orders for disbursement of its funds
- (c) Provide and maintain full and complete records of all the assets and liabilities of this credit union
- (d) Within 15 days after the close of each month, prepare and submit to the Board a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans. He/she shall promptly post

a copy of such statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.

- (e) Prepare and forward to the Commissioner of Financial Institutions such financial and other reports as the Commissioner may require
- (f) If so authorized by the Board, and within the standards and limitations prescribed by the Board, employ tellers, clerks, bookkeepers, and other office employees and have the power to remove such employees.
- (g) Perform such other duties as customarily appertain to the office of the financial officer or as he/she may be directed to perform by resolution of the Board not inconsistent with the act and regulations and these bylaws

The Board may employ one or more assistant financial officers, none of whom may also hold office as executive officer or assistant executive officer, and may authorize them, under the direction of the financial officer, to perform any of the duties for which the financial officer is responsible, including the signing of checks. When designated by the Board, any assistant financial officer may also act as financial officer during the temporary absence of the financial officer or in the event of his/her temporary inability to act.

SECTION 6. The Board may appoint a management official who may be a member of the Board and who shall be under the direction and control of the Board or of the financial officer, as determined by the Board. The management official may be assigned any or all of the responsibilities of the financial officer described in Section 5 of this article. The Board shall determine the title and rank of each management official and shall record them in the addendum to this article.

The Board may employ one or more assistant management officials, none of whom shall be a member of the Board. The Board may authorize assistant management officials, under the direction of the management official, to perform any of the duties for which the management official is responsible, including the signing of checks. When designated by the Board, any assistant management official may also act as management official during the temporary absence of the management official or in the event of his/her temporary inability to act.

SECTION 7. The Board shall employ, fix the compensation, and prescribe the duties of such employees as may, in the discretion of the Board, be necessary and have the power to remove such employees, unless it has delegated these powers to the financial officer or management officials, except that neither the Board, the financial officer, nor the management official shall have the power or duty to employ, prescribe the duties of, or remove any loan officer appointed by the Credit Committee, where the bylaws provide for an elected Credit Committee, or necessary clerical and auditing assistance employed or utilized by the Supervisory Committee, where the bylaws provide for an elected Supervisory Committee.

SECTION 8. The recording officer shall prepare and maintain full and correct records of all meetings of the members and of the Board, which records shall be prepared within 15 days after the respective meetings. The recording officer shall promptly inform the Commissioner in writing of any change in the address of the office of this credit union or the location of its principal records. He/she shall give or cause to be given in the manner prescribed in these bylaws, proper notice of all meetings of the members, and shall perform such other duties as he/she may be directed to perform by resolution of the Board not inconsistent with the LCUL and regulations and these bylaws.

The Board may employ one or more assistant recording officers, none of whom may also hold office as executive officer, assistant executive officer, or financial officer, and may

authorize them under the direction of the recording officer to perform any of the duties for which the recording officer is responsible.

ADDENDUM: The title and rank of the Board officers and management officials of this credit union are as follows:

- (a) The Executive Officer is to have the title of Chairman.
- (b) The Assistant Executive Officer is to have the title of Vice Chairman.
- (c) The Financial Officer is to have the title of Treasurer
- (d) The Assistant Financial Officer is to have the title of Assistant Treasurer.
- (e) The Recording Officer is to have the title of Secretary.
- (f) The Assistant Recording Officer is to have the title of Assistant Secretary.
- (g) The Management Official is to have the title of President-CEO.
- (h) The Assistant Management Official is to have the title of Vice President.

ARTICLE VIII

LOAN OFFICER(S)²

SECTION 1. The loan officer(s) shall inquire carefully into the character and financial condition of each applicant for a loan and his/her sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan sought is for a provident or productive purpose, and will be of probable benefit to the borrower. He/she shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid, with the limitations provided by law and set by the Board of Directors. When there are more applications pending than can be granted with the funds available, preference shall be given, in all cases, to the applications for smaller loans, if the need and credit factor are nearly equal.

SECTION 2. Every application for a loan shall be in writing and signed by the applicant. It shall state the purpose for which the loan is desired and contain full and complete information pertaining to the applicant, together with a signed financial statement or combination signed application and financial statement and shall describe the security, if any offered, as provided by law.

SECTION 3. An applicant for a loan may appeal to the Board of Directors from the decision of the loan officer(s).

ARTICLE IX

SUPERVISORY COMMITTEE³

SECTION 1. The Supervisory Committee shall consist of three members appointed by the Board of Directors. Regular terms of office for all committee members shall be for periods of two or three years, as the Board shall determine, and until the appointment of their respective successors. In the event of a vacancy in the membership of the Supervisory Committee, such vacancy shall be filled by the Board of Directors. The Supervisory Committee shall choose from among their number a Chairman.

² In lieu of loan officers the LCUL permits a credit union to adopt bylaws for a Credit Committee elected by the membership or a Credit Committee appointed by the Board. The Commissioner has approved Article VIII in all versions.

³ The LCUL permits a credit union to adopt bylaws for a Supervisory Committee elected by the membership. The Commissioner has approved Article IX in both versions.

SECTION 2(a) The Supervisory Committee shall, at frequent intervals, and at least semi-annually, and when it is deemed necessary, inspect the securities, cash, and accounts of the credit union, supervise the acts of the Board of Directors, Credit Committee, and officers, and shall make a written report to the Board of Directors of its findings. The Supervisory Committee shall cause a written verification of the members' statements of account to be made from time to time, but not less frequently than every two years. The verification must fully meet the requirements set forth in Part 715 of the NCUA Rules and Regulations.

(b) The Supervisory Committee may employ and use such clerical and auditing assistance as may be required to carry out its responsibilities under the law and bylaws and may request the Board to provide compensation for such assistance. At the close of the fiscal year, the committee shall make or cause to be made a thorough examination, as provided by law, and shall make a full report thereof to the Board of Directors, which report shall be read at the Annual Meeting and shall be filed and preserved with the records of the credit union and a copy filed with the Commissioner of Financial Institutions. The examination must fully meet the requirements set forth in Part 715 of the NCUA Rules and Regulations.

SECTION 3. By unanimous vote, the Supervisory Committee may suspend until the next meeting of the members, any director, officer, or member of the Credit Committee. In the event of any such suspension, the Supervisory Committee shall call a special meeting of the members to act on said suspension within seven (7) days thereof. By a majority vote, the Supervisory Committee may call a special meeting of the members to consider any violation of the provisions of the State Credit Union Law, or of the charter or Bylaws of this credit union, or to consider any practice of this credit union, which the committee deems to be unsafe or unauthorized. Notice of any special meeting shall be given in the manner elsewhere herein provided for the giving of notices of special meetings of the membership, and a copy of said notice shall be furnished the Commissioner of Financial Institutions.

ARTICLE X

EDUCATIONAL COMMITTEE

SECTION 1. The Educational Committee shall be appointed by the Board and shall consist of not less than three nor more than five members.

SECTION 2. The committee shall plan, and with approval of the Board of Directors, carry out programs to inform members and potential members of the objectives, procedures, and services of the credit union, and to encourage maximum participation in all activities of the credit union.

ARTICLE XI

INTEREST RATE, INCIDENTAL COSTS, LATE CHARGES

SECTION 1. The Board of Directors shall, by resolution, establish the maximum interest rate for the various classifications of loan accounts, at fixed rates or variable rates of interest, subject to the maximum established in Section 2 of this Article.

SECTION 2. The maximum interest rates for the various classifications of closed-end loans shall not exceed twenty-four (24%) percent per annum for fixed interest rates or variable interest rates.

SECTION 3. The maximum interest rate for open end-credit, revolving credit, or lines-of-credit loan accounts shall not exceed eighteen (18%) percent per annum for fixed interest rate or variable interest rates.

SECTION 4. The following fees and costs in a transaction secured by real property or in a residential mortgage transaction may be charged to the member:

- (a) Fees for title examination, abstract of title, title insurance, property survey, and similar purposes
- (b) Fees for preparing deeds, mortgages and reconveyance, settlement, and similar documents
- (c) Notary, appraisal, and credit report fees
- (d) Amounts required to be paid into escrow or trustee accounts if the amounts would not otherwise be included in the finance charge

SECTION 5. The following fees and costs in a transaction secured by a mortgage or other security device on movable property may be charged to the member:

- (a) Taxes and fees prescribed by law that are actually paid or will be paid to public officials for perfecting, releasing, or satisfying a security interest
- (b) The premium for insurance, in lieu of perfecting a security interest, to the extent that the premium does not exceed the fee for perfecting, releasing, or satisfying a security interest that would otherwise be payable
- (c) Notarial fees not to exceed fifteen dollars for each loan secured by a mortgage or other security device on movable property

SECTION 6 (a) The credit union may charge the member a late charge on any loan installment not paid in full within ten days after its scheduled date, in an amount not exceeding the greater of the following:

- (1) 20% of the interest due
- (2) 5% of the overdue payment, but not exceeding \$35.00
- (b) A late charge may be collected only once on an installment regardless of how long it remains in default.

SECTION 7. In addition to the maximum interest rate provided for in the bylaws, the Board of Directors may, by resolution, authorize any other fee or charge not considered a finance charge under Regulation Z of the Truth in Lending Act.

ARTICLE XII

LOANS TO MEMBERS

SECTION 1. GENERAL PROVISIONS AND LIMITATIONS

- (a) The credit union Board of Directors shall establish lending policies for the various kinds of loans the credit union may make to its members, which shall include the following:
 - Loans – Unsecured
 - Loans – Secured by Co maker, Chattel, or Other
 - Share Loans
 - FHA Title 1 and VA Home Improvement Loans and Mobile Home Loans
 - Guaranteed Student Loans
 - Conventional Real Estate Loans

Home Equity Loans or Second Mortgage Loans
FHA and VA Real Estate Loans

- (b) The total indebtedness of any one member shall never exceed 10% of the credit union's unimpaired capital and surplus.
- (c) The lending policies established by the Board of Directors shall set forth the maximum amounts and maximum terms for all loans, except as otherwise provided by law or these bylaws.

SECTION 2. UNSECURED LOANS.

Unsecured loans mean personal loans guaranteed by the signature of the member on a promissory note.

SECTION 3. OTHER LOANS – SECURED.

Other loans mean personal secured loans secured by a chattel mortgage or other collateral of good and sufficient value or guaranteed by one or more solvent co-maker, who shall furnish evidence of solvency by financial statement.

SECTION 4. SHARE LOANS.

Share loans are loans fully secured by a pledge of shares.

SECTION 5. HOME IMPROVEMENT AND MOBILE HOME LOANS.

Home improvement loans and mobile home loans are loans secured by insurance contained under Title 1 of the National Housing Act and Veterans Housing Act. Home improvement loans and mobile home loans may be made up to a maximum amount and for such terms as permitted by the guarantee agency.

SECTION 5.1 FHA AND VA REAL ESTATE LOANS.

Real estate loans made to members, pursuant to the regulations of the Federal Housing Agency and Veterans Administration and providing a guarantee to the credit union, may be made for such amounts and on such terms and conditions as permitted by the guarantee agency.

SECTION 6. STUDENT LOANS.

Student loans may be made to students who qualify for a loan under the Governor's Special Commission on Education Services, or its successor, or under any federally insured student loan program. Student loans are subject to the following requirements:

- (a) Guaranteed student loans may be made up to the maximum amount and for such terms as permitted by the federal or state guarantee agency.
- (b) The interest charged on student loans shall not exceed the rate permitted by the Governor's Special Commission on Education Services.
- (c) The terms and conditions for repayment must be in accordance with the rules of the Governor's Special Commission on Education Services, or its successor.

SECTION 7. CONVENTIONAL REAL ESTATE LOANS.

Conventional real estate loans are loans secured by a first mortgage on real estate situated in the states of _____.

- Real estate loans are subject to the following requirements:
- (a) A loan secured by first mortgage on real estate under the provisions of this section shall not exceed 85% of the value of the property mortgaged, as shall be determined by a written appraisal report of an independent appraiser, unless the loan amount in excess of eighty-five percent is covered by private mortgage or equivalent insurance, with the cost of the appraisal to be borne by the applicant.
 - (b) Such loans shall be supported at cost to the applicant by an opinion rendered by an attorney at law or duly qualified title insurance company that the title to such real estate is good and merchantable, and that such loan constitutes a first and

prior mortgage on such real estate, or a mortgage title insurance policy insuring and guaranteeing such loan to be a first lien on such property, and by evidence of payment of all taxes, paving, or other assessments other than those for the current year.

- (c) Adequate insurance coverage against loss from fire, windstorm, or tornado.

SECTION 7.1 HOME EQUITY OR SECOND MORTGAGE LOANS.

Loans secured by a mortgage on real estate subject to a prior mortgage loan may be made up to 90% of value of the real estate less the balance owing on the prior mortgage (the member's equity in the real estate), for terms not to exceed fifteen years, unless a longer term is approved by the Board of Directors.

SECTION 8. OPEN-END, REVOLVING CREDIT, LINE-OF-CREDIT LOAN PLANS.

The credit union may make loans to its members on a revolving credit, open-end credit or line-of-credit loan plan in conformity to Regulation Z of the Truth in Lending Act. The maximum amount and maximum terms for open-end credit, revolving credit, and line-of-credit loan plans for unsecured and secured loans shall be limited to the extent provided in other sections of this article.

SECTION 9. DIRECTORS', COMMITTEE MEMBERS', AND OFFICERS' LOANS.

- (a) Loans may be made to a director, or a member of the Credit Committee, or a member of the Supervisory Committee, or an officer, through the Credit Committee, up to the amount of their holdings in shares of the credit union.
- (b) For loans in excess of twenty thousand dollars plus pledged shares, it is necessary that such loans be submitted to and approved by a majority of the Board of Directors. The director whose loan is under consideration shall not be present or take part in that portion of the meeting at which his or her loan is considered.

SECTION 10. RESPONSIBILITY OF DIRECTORS OR COMMITTEE MEMBERS.

Any director or member of a committee who knowingly or willfully makes or agrees to the making of any loan to other than a member or another qualified credit union, shall by such act become jointly, severally, and in solido, responsible with the maker or endorser for the full amount of the loan.

SECTION 11. REPAYMENT PRIOR TO MATURITY.

A borrower may repay his/her loan prior to maturity in whole or in part on any day which the office of the credit union is open for transaction of business.

ARTICLE XIII

RESERVES

SECTION 1. All amounts required by law or regulation shall be set aside as a regular reserve. However, when the regular reserve thus established shall reach the minimum balance required by law, no further transfers shall be required, except up to such amounts as permitted by law and as may be needed to maintain such minimum balance. Amounts in excess of the above requirements may be transferred to the regular reserve by authorization of the Board. The regular reserve shall be used only for losses on loans to members (including unrecovered collection costs) and such other losses as are authorized by applicable law and regulations.

SECTION 2. In addition to the regular reserve, special reserves to protect the interests of the members shall be established in accordance with law and as required by the Commissioner of

Financial Institutions. The Board may also authorize the establishment of any additional reserves, which it deems necessary.

ARTICLE XIV

DIVIDENDS

SECTION 1. The Board shall establish dividend periods and declare dividends for the various classifications of share and share certificate accounts as permitted by Louisiana Revised Statutes, Title 6, Section 658, and in accordance with the following:

- (a) The Board shall establish dividend periods permitted by the law and in such a way that the last dividend period in any calendar year ends on December 31.
- (b) The Board may change the established dividend periods, such change to take effect after the close of the current dividend period, and shall take reasonable action to notify the members of the change. The change may be applied to the current period if the members are notified within a reasonable time prior to the end of such period.
- (c) Dividends may be declared by the Board for an established dividend period from earnings available after provision for reserves required by the law, only during the last month of the dividend period, or the first month following the close of the dividend period. However, if the dividend period is monthly, dividends may be declared during the month. If the established period is more frequent than monthly, the Board may declare the dividend during the previous month.
- (d) All dividend declarations shall include the establishment of a date on which such declared dividends will be distributed or posted to the accounts of the members.
- (e) Within the limitations of the law, the Board shall determine the period of time from which shares may be fully paid up and earn dividend credit for the dividend period.

SECTION 2.

- (a) Dividends may be declared by the Board at such rates and upon such classes of share accounts as determined by the Board.
- (b) The Board, in determining the dividend rates, shall weigh and consider what serves the best interests of the credit union and of the members, and consider and analyze economic conditions in light of credit union principles, as well as the following:
 - A. Adequacy of Reserves
 - B. Delinquency
 - C. Costs of funds
 - D. Past earning capacity and future trends
 - E. Rates of competing financial institutions
 - F. Needs of all the members

SECTION 3. No dividend shall be declared or paid in the event of delinquency in loans unless the reserve fund shall be equal to or in excess of the sum of 10% of the unpaid balance of loans delinquent more than 2 months and less than 6 months, plus 25% of the unpaid balance of loans delinquent from 6 months to less than 12 months, plus 50% of the unpaid balance of loans delinquent from 12 months to less than 18 months, and plus 100% of the unpaid balance of loans delinquent 18 months or more. Also, if the event the legal reserve fund does not equal the amount required as herein set forth, then the reserve fund shall be supplemented by a special reserve for delinquent loans in an

amount which will make the reserve fund and the special reserve equal to the sum required in accordance with the schedule herein set forth. The transfer to the special reserve for delinquent loans shall be made from current net earnings, before any distribution of dividends.

ARTICLE XV

DEPOSIT AND DISBURSEMENT OF FUNDS AND INVESTMENTS

SECTION 1. All funds of this credit union, except for petty cash and cash change funds authorized by Section 3 of this article, shall be deposited in such qualified depository or depositories from among those authorized by applicable law and regulations, as the Board may from time to time by resolution designate. These funds shall be so deposited not later than the second business day after their receipt and receipts in the aggregate of \$300 or less may be held as long as one (1) week before they are deposited.

SECTION 2. All disbursements of funds of this credit union shall be made by check or other written instruments signed by the financial officer, management official, assistant financial officer, or an assistant management official, and countersigned by the executive officer, or in his/her absence or inability to serve by the ranking assistant executive officer. However, the Board may, by resolution, eliminate the requirement of countersigning.

SECTION 3. A cash fund may be authorized by the Board by resolution for the purpose of making change and for such other purposes as prescribed by the Board of Directors. The credit union shall keep bait money when a cash fund is maintained. The Board may authorize, by resolution, the establishment of a petty cash fund for postage and for defraying other expense items in amounts of less than \$100.00.

SECTION 4. The funds of this credit union shall be invested only as authorized by applicable law and regulations.

ARTICLE XVI

INACTIVE ACCOUNTS

SECTION 1. The Board of Directors may authorize transfer to the Reserve for Inactive Accounts all shares, dividends, and other sums not in excess of \$100.00 from any inactive account standing in the name of any member, provided the credit union has been unable to contact the member by first class mail addressed to the member at the address last shown on the credit union records, and the member's last known address for more than 2 years.

SECTION 2. The Board of Directors may authorize transfer to the Reserve for Inactive Accounts of shares, dividends, and other sums not in excess of \$100.00 from inactive accounts in the name of one or more joint owners, only when the credit union is unable to contact each of the joint owners in the name manner as provided in Section 1 above.

SECTION 3. All requests to reclaim or to transfer to an active account status any sums transferred to the Reserve for Inactive Accounts must be approved by the Board of Directors.

ARTICLE XVII

GENERAL

SECTION 1. All power, authority, duties, and functions of the members, directors, officers, committee members, and employees of this credit union, pursuant to the provisions of these bylaws, shall be exercised in strict conformity with the applicable provisions of law, of the Charter, or the Bylaws, and the rules and regulations issued by the Commissioner of Financial Institutions.

SECTION 2. The officers, directors, committee members, and employees of this credit union shall hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except to the extent deemed necessary by the Board in connection with the following:

- (a) The making of loans and extending lines-of-credit
- (b) The collection of loans
- (c) The guarantee of member share drafts by third parties

SECTION 2.1 In accordance with the above, the Board of Directors may authorize participation in the following:

- (a) A credit reporting agency, if it has determined that use of such an agency is essential in the making of loans and extending lines-of-credit, and that information supplied by the credit union concerning its members will be made available only to legitimate members belonging to that agency and persons who have a legitimate business need for information in connection with a business transaction involving a consumer.
- (b) A consumer reporting agency, if it has determined that information supplied by the credit union is essential to the guarantee of member share drafts by that agency.

SECTION 3. Copies of the organization papers of this credit union, its bylaws, and any amendments thereto, shall be preserved in a place of safekeeping. Returns of nominations and elections and proceedings of all regular and special meetings of the members and directors shall be recorded in the minutes book of this credit union. The minutes of the meetings of the members, the Board of Directors, and the committees, shall be signed by their respective Chairman or presiding officers and by the persons who serve as secretaries of such meetings.

SECTION 4. All books of accounts and other records of this credit union shall at all times be available to the directors and committee members, members of this credit union, and to the duly authorized representatives of the Commissioner of Financial Institutions, upon presentation of proper credentials.

SECTION 5. The credit union may provide, in its articles or bylaws, for indemnification to the extent authorized by the LCUL, the following:

- (a) The current officials, former officials, current employees, and former employees for any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties.
- (b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in (a) above against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out

of the performance of their official duties to the extent such insurance is permitted by the applicable state law or LCUL.

- (c) The term “official” in this bylaw means a person who is a member of the Board of Directors, Credit Committee, Supervisory Committee, other volunteer committee, (including elected or appointed loan officers or membership officers), established by the Board of Directors.

ARTICLE XVIII

AMENDMENTS TO BYLAWS

SECTION 1. Amendments to these bylaws may be adopted by the affirmative vote of a majority of the members of the Board of Directors present at any duly held meeting thereof convened after at least 10 days’ notice, and the notice of such meeting has contained a copy of the proposed amendment or amendments.

SECTION 2. No amendments of these bylaws shall become effective until approved by the Commissioner of Financial Institutions.